



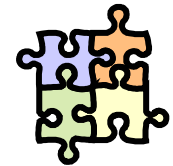
Systems and Technology Group

Global Development Partnerships

Lessons learned from building international
development collaborations

Intention of this presentation

- Share lessons learned and best practices from building international development cooperations. This is a personal view which might be subjectively biased and for sure is not complete.
- Try to transfer these insights onto an abstract level.
- Spark some ideas on how to initiate international collaborations. I marked these proposed actions with this “piece of a puzzle” throughout the entire presentation.
- The focus is NOT to discuss the benefits and disadvantages of globalization.



Globalization

Basics on Globalization – What is it?

- A modern and generic definition of Globalization is:

Globalization is the process of growing international interdependences and integration.

- The main causes for the modern globalization trends are

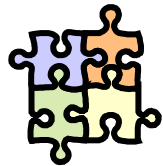
technological progress (“digital revolution”), particularly in the communications and transportation technologies, and

the political decisions which impacted the liberalization of world trade.

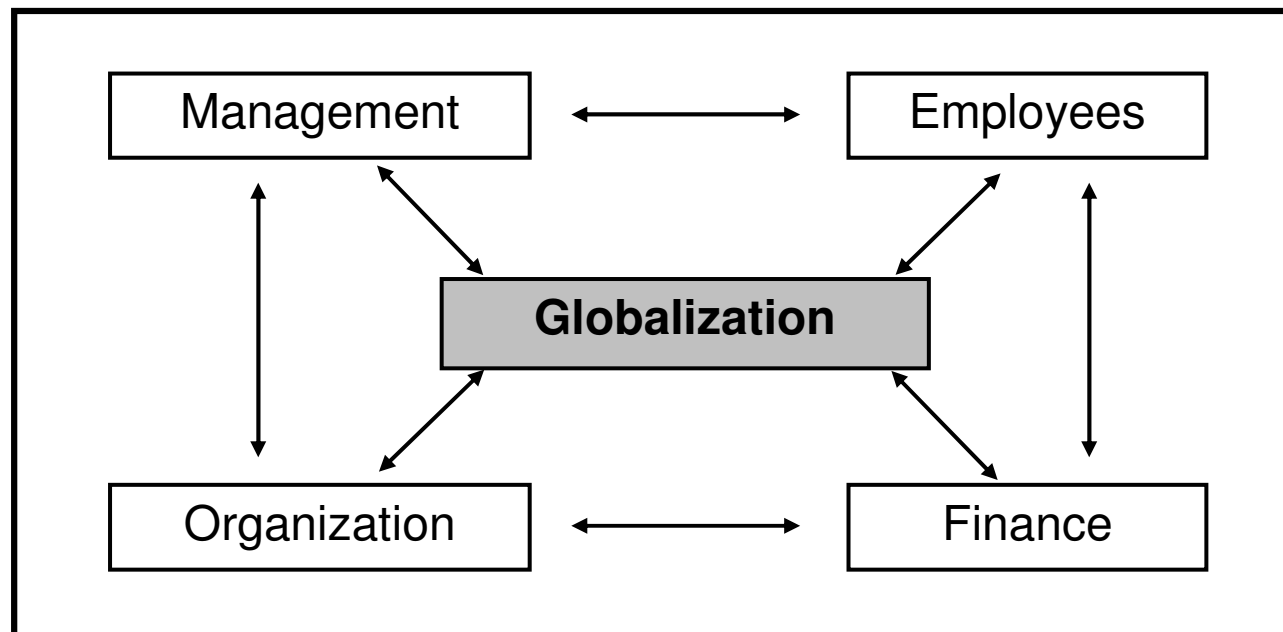
The Globalization Hype

- The Globalization topic is pervasive in the news, in internet forums, and in our minds.
- Global threat or global challenge
People fear to lose jobs and livelihoods due the effects of globalization. If you start a global collaboration then fear is an inhibitor for the success of your mission.
- Why going global?
 - Huge market potential
 - Worldwide skill base, open and connected worldwide community, open source

Entrepreneurial potential for globalization



You need the support, motivation, and commitment of the entire team, i.e., all stakeholders including high level management, sponsors and the execution team.



graphic provided by Dr. Christopher Stehr

Reasons for failure

Dr. Christopher Stehr, assistant professor at the University of Ulm and chairman of polymundo [1], analyzed companies which collaborate globally. As a result of this study he derived that global collaboration can only be successful if the following questions can be answered with YES.

- Is the company really able to adapt its organization structure due to the worldwide necessities and conditions? (**organization**)
- Is the top management (CEO/owner et.al.) in terms of time and capability able and willing to resolve or to take over the new challenges and tasks? (**management**)
- Are the employees ready and prepared to support the continuously entrepreneurial globalization of their enterprise (**employees**)
- Are share holders and other financiers willing or able to support and to finance the entrepreneurial globalization (**finance**)

[1] polymundo is a company for globalization consultancy: http://www.polymundo.de/e_unternehmen.html

My background on Globalization

- IBM is a globally integrated company
 - Global development teams due to high resource and expertise requirements for large high tech development projects
 - Technical expertise is provided onsite at customer locations: R&D labs around the world
- Three years ago we built up a development team in IBM Russia
 - My role in this effort “liaison manager”
- Evaluation of potential development cooperations with international external partners
 - identify an appropriate form and select the best partner
- I am a member of IBM's Corporate Service Corps.

Our mission

Our mission

- Build High Performance Computing (HPC) systems with outstanding economical energy consumption ...
- ... in an international development collaboration with a new team in Russia.



Beginning of the collaboration: starting point in 2006

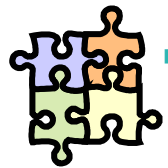


Beginning of the collaboration: starting point in 2006

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- Experienced teams in USA and Germany did exist: technical development, Project Management, and administration (finance, procurement, etc.)
 - Parts of the lab facilities in Russia (buildings) did exist, but no hardware development engineers and no adequate infrastructure
 - **Establish a liaison manager onsite and build a trustful relationship with your counterpart**
 - Hiring
 - Education
 - Administration, Logistics (Visa, Export clearances for transportation)
 - Financials

Challenges, Experiences and Lessons Learned

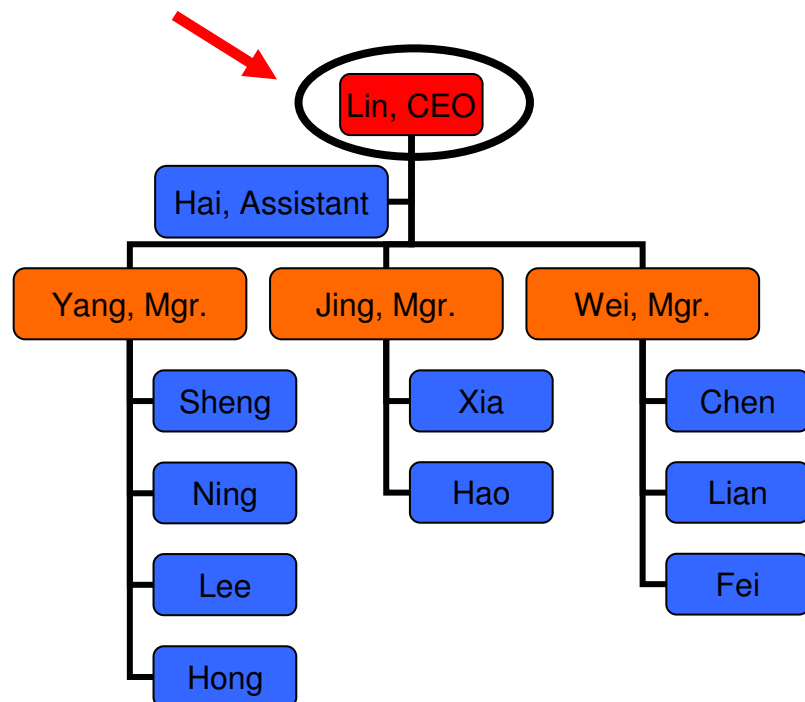
Team building



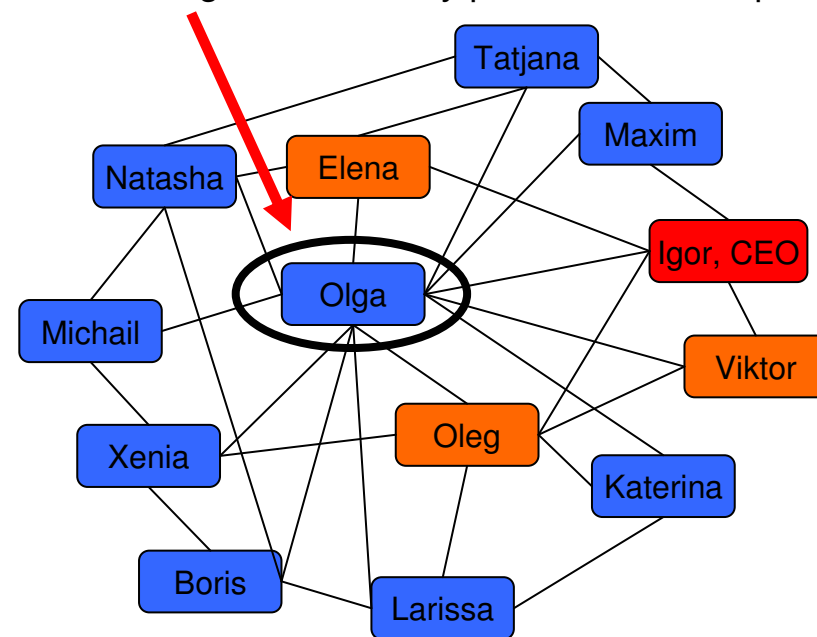
- Wisely identify a liaison manager as **your counterpart** in the other country
 - Trusted partner
 - Accepted leader
 - Insider
 - As yourself this person should be 100% accountable for the success of the project
- Since your counterpart has local team insights and you usually know most about the project you should select the other team members in a common decision process.

Hierarchy and Communication Networks

In China Lin would be my preferred counterpart.

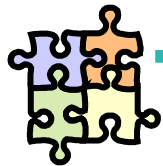


In Russia Olga would be my preferred counterpart.



Transportation logistics and export regulations

- Export is not just the transportation of goods across borders but also the international exchange of all kind of data and information.
 - Goods
 - Software/data transfer
 - Communication

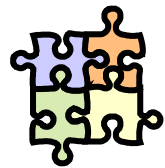


- **For high tech collaborations it is one of the most crucial requirements to bring the export and import clearances in place.**
- “If we compare the transportation of high-tech goods and a pallet of nasal spray to Russia then the shipment of high tech goods takes much longer and is much more expensive. Furthermore the probability of losing high tech goods during transportation is much higher”.
(Statement by a logistics expert)

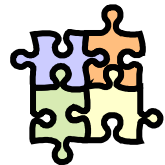
The transportation issue

- The toughest problem in our collaboration was to bring development prototypes into the country.
- You cannot get a general clearance. You need to apply for each of the components separately.
- You need an expert with good connections to customs offices to establish a viable solution. You need to meet with this expert in person.

Some lessons learned

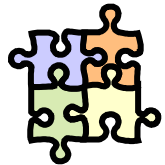


- “The Russian way”: Russian methods have matured evolutionary and therefore most often work best in Russia. Even if you are the senior partner you should not always try to do it the German way, or the US way, or the typical project management style. **Listen for the advices of the insiders and decide afterwards.**



- Processes should evolve from best practices. For new endeavors there are often no established and applicable processes in place. For such missions you need key players that are willing to do **pioneering work and establish new processes**. The difficulty in performing pioneering work is often underestimated since we usually act according to our habits and our best practices which are usually included in our established processes. Therefore it's hard to find such persons who are pioneers AND on the other hand no notorious demolitionists.

How to identify cultural traps



- **Do preparations to avoid traps ...**
- ... by talking with experts
- ... by reading literature
 - The quick way: try to identify in which areas your habits differ most from the culture in your partner's country, e.g.,
 - are written or spoken statements more reliable?
 - importance of common socializing activities: who joins for lunch/dinner? who picks you up at the hotel?
 - who contributes in meetings, who dominates, who decides
 - do meetings usually end with a list of assignments/action plans
- Learn it the hard way: go to the country.

Preferred way of communication - level of commitment

USA, West Europe:

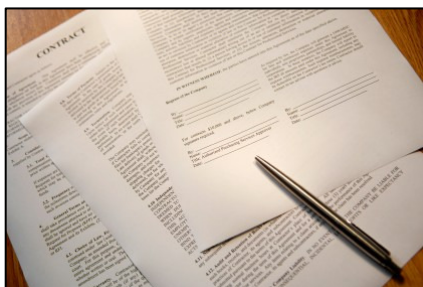


Weak commitment



Strong commitment

Russia:

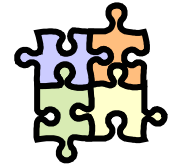


Weak commitment



Strong commitment

Summary: the „pieces for the puzzle“ to take away



- A new international collaboration cannot be effective from day one: it is a strategic decision to start a global collaboration which requires patience.
- You need the support, motivation, and commitment of the entire team, i.e., all stakeholders including high level management, sponsors and the execution team. Furthermore the organization must be ready for globalization.
- Wisely establish a liaison manager onsite and build a trustful relationship with this insider.
- You are a master in Project Management but a freshman in the countries: listen to the native insiders.
- For high tech collaborations it is one of the most crucial requirements to solve logistic issues.
- Key players must be “pioneers” and establish new processes. Are your team members “global citizens”?
- Try to identify traps and weak spots and assign problem solvers.
- ... and there are lots of additional pieces

Questions?



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